

FIFTH AMENDMENT AGREEMENT

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INTERSTATE COMMERCE COMMISSION

THIS FIFTH AMENDMENT AGREEMENT dated as of March 22, 1985 (the "Amendment") by and between BRAE TRANSPORTATION, INC. (formerly BRAE Corporation) (the "Company") and CITICORP INDUSTRIAL CREDIT, INC. ("Citicorp").

W I T N E S S E I H:

WHEREAS, the Company and Citicorp entered into a Security Agreement, Chattel Mortgage and Lease Assignment dated as of September 20, 1979, as amended by Amendment Agreements dated as of January 10, 1980, February 13, 1980, April 30, 1980 and September 9, 1982 (as so amended, the "Security Agreement"); and

WHEREAS, the parties hereto desire to amend the Security Agreement as hereinafter set forth:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The terms used in this Amendment which are defined in the Security Agreement have the same meanings herein as specified therein.

2. The definition of "Investment" originally appearing on page 16 of Rider Number One to the Security Agreement and as amended by the Second Amendment Agreement is amended by the deletion of the word "and" at the end of clause (v), by the deletion of the period at the end of such definition and the substitution of a semicolon and the word "and" and the following clause therefor:

(vii) any notes received by the Company or any Subsidiary of the Company as consideration for the sale and transfer of the stock of National Piggyback Services, Inc. (together with BRAE Surface Transportation Group, Inc. and the National Piggyback Specialized Commodities operations) and BRAE Brokerage Services, Inc. (together with Intermodal Brokerage Services, Inc.).

3. Section 19.00 (Negative Covenants) is amended by the addition of the following Subsection at the end of Section 19.00:

(1) Notwithstanding any term, covenant, agreement, condition, prohibition, restriction or provision in this Security Agreement to the contrary, the Company and/or its Restricted Subsidiaries and/or its Unrestricted Subsidiaries may sell or transfer the stock of National Piggyback Services, Inc. (together with BRAE Surface Transportation Group, Commodities operations) ("National

Piggyback Services") and BRAE Brokerage Services, Inc. (together with Intermodal Brokerage Services, Inc) ("BRAE Brokerage Services") for a purchase price of not less than \$55 million, payable in a combination of cash of notes (with maturities not in excess of ninety days), representing at least \$22 million for National Piggyback Services and the balance for BRAE Brokerage Services; provided further that the proceeds from such transaction (including the cash proceeds received upon payment of the notes) shall be used only for general corporate purposes and shall not be used to pre-pay indebtedness of the Company and/or its Restricted Subsidiaries; and provided further that at least \$15 million of the proceeds (Restricted Proceeds) shall be invested and remain invested in Investments, or used to pay the principal portion of the Senior Funded Debt service of the Company and its Restricted Subsidiaries outstanding as of the date hereof as hereinafter provided. In the event that in any consecutive six (6) month period beginning with the period from October 1, 1987 to and including March 31, 1988 the principal portion of the Senior Funded Debt service of the Company and its Restricted Subsidiaries has been in excess of the Cash Flow of the Company and its Restricted Subsidiaries for such six (6) month period then the Company may pay an amount equal to such excess from the Restricted Proceeds within 45 days of the end of such period provided, however, that if such period shall end on March 31, the Company may pay within 60 days of the end of such period. Cash Flow of the Company and its Restricted Subsidiaries for any such period shall mean the net income of the Company and its Restricted Subsidiaries plus the amount of any provision for taxes for such period (less any taxes actually paid during such period) plus an amount equal to the amount of depreciation for such period.

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4. BRAE Corporation will guarantee the outstanding indebtedness of BRAE Transportation, Inc. as set forth in the Guaranty attached as Exhibit A to this Agreement, and the Company agrees to reimburse Citicorp on demand for all expenses incurred by it on the enforcement or attempted enforcement of any of its rights under the Guarantee, including costs of attorneys fees.

5 Section 19(a) (Consolidated Shareholder's Equity) of the Agreement shall be amended by increasing the \$38,000,000 figure therein to \$45,000,000.

6. Section 19(b) (Dividend Limitation), as amend by the Fourth Amendment Agreement to the Agreement, shall be amended by decreasing the \$5,000,000 figure that appears in clause (1)(a) therein to \$1,800,000.

7. Except as modified hereby, the Security Agreement remains in full force and effect.

8. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original but all of which when taken together shall constitute a single instrument.

9. The provisions of this Amendment and all rights and obligations of the parties hereunder shall be governed by the laws of the State of California.

10. The Company shall, at its expense, cause this Amendment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303, as soon as possible and shall provide Citicorp with evidence of such filing.

11. Section 10 of the Agreement is amended in part by the addition of the following subsection:

"(iv) The Company shall fail to observe the covenants, conditions, undertakings or provisions contained in Sections 3 and 10 of the Fifth Amendment Agreement to this Agreement.

IN WITNESS WHEREOF, the Company and Citicorp have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date just written above.

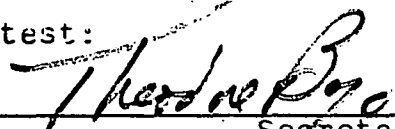
CITICORP INDUSTRIAL CREDIT, INC

By: 

Vice President

(Corporate Seal)

Attest:


Secretary

BRAE TRANSPORTATION, INC.

By: 

President

(Corporate Seal)

Attest:


Assistant Secretary

EXHIBIT A

GUARANTY

For good and valuable consideration, the receipt of which is acknowledged, the undersigned (herein "Guarantor"), unconditionally guarantees to Citicorp Industrial Credit, Inc. ("CIC"), the full and prompt payment by BRAE Transportation, Inc. (formerly BRAE Corporation) (herein "Obligor"), of the indebtedness of Obligor to CIC arising under the agreement appearing on Schedule 1 ("Agreement"). Such guarantee of payment shall include the prompt payment of principal and interest including any amounts due by reason of acceleration or the exercise of other rights or remedies under the Agreement.

The Guarantor agrees that it shall not be necessary, as a condition to enforce this Guaranty, that suit be first instituted against Obligor or that any rights or remedies against Obligor be first exhausted. It being understood and agreed that the liability of the Guarantor hereunder shall be primary, direct, and in all respects unconditional.

For the purposes of this Guaranty, all sums owing to Citicorp by Obligor shall be deemed to have become immediately due and payable if (a) Obligor defaults in any of its obligations to Citicorp; (b) a petition under any Chapter of the Bankruptcy Act, as amended, or for the appointment of a receiver of any part of the property of Obligor be filed by or against the Obligor and be not dismissed within thirty days; (c) Obligor makes a general assignment for the benefit of creditors, suspends business or commits any act amounting to a business failure, or; (d) an attachment be levied or tax lien be filed against any of Obligor's property.

Irrespective of the lack of any notice to or consent of Guarantor, its obligations hereunder shall not be impaired in any manner whatsoever by any

- (a) new agreements (other than those expressly releasing this Guaranty) or obligations of Obligor; amendments, extensions, modification, renewals or waivers of default as to any existing or future agreements or obligations of Obligor or third parties or further extensions of credit;
- (b) adjustments, compromises or releases of any obligations of Obligor, Guarantor or other parties or exchanges, releases or sales of any security of Obligor, Guarantor or other parties;
- (c) fictitiousness, incorrectness, invalidity or unenforceability, for any reason, of any instrument or writing, or acts of commission or omission by Citicorp or Obligor; or

- (d) compositions, extensions, moratoria or other relief granted to Obligor pursuant to any statute presently in force or hereafter enacted.

Notice of acceptance hereof, of default or nonpayment by Obligor or any other parties, of presentment, protest and demand, and of all other matters of which Guarantor otherwise might be entitled, is waived. The obligations hereunder of Guarantor shall be binding upon its respective successors, assigns and legal representatives.

This guaranty is assignable without notice to Guarantor, shall be construed liberally in favor of Citicorp and shall inure to the benefit of its successors and assigns. If Obligor should default in the performance of any of Obligor's obligations to Citicorp, and if any third party makes any payment to Citicorp with respect thereto, such third party shall, to the extent thereof, be subrogated to all of its rights against Guarantor hereunder. Legal rights and obligations hereunder shall be determined in accordance with the laws of the State of New York.

The undersigned corporation warrants for itself that it is authorized by law and by its articles of incorporation to execute this Guaranty, and the officers signing the same warrant that they are specifically authorized thereunto by a duly adopted resolution of the board of directors or the bylaws of the corporation.

IN WITNESS WHEREOF, Guarantor has caused this instrument to be executed this _____ day of _____, 198__.

ATTEST:

BRAE CORPORATION

By _____

Title _____

Schedule 1

Security Agreement Chattel Mortgage and Lease Assignment dated
as of September 20, 1979 between Company and Citicorp
Industrial Credit, Inc. (as amended).